

SUMMIT OF THE AMERICAS  
THIRD MINISTERIAL TRADE MEETING  
BELO HORIZONTE, MINAS GERAIS, BRAZIL  
MAY 16 1997  
JOINT DECLARATION

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INTRODUCTION

1. We, the Ministers responsible for Trade, representing the 34 countries that participated in the Summit of the Americas in December 1994, met in Belo Horizonte for the Third Trade Ministerial Meeting, in pursuance of the mandate issued by our Heads of State and Government during the Summit of the Americas, held in Miami. We reviewed the results of the work program to which we unanimously agreed at our previous Ministerial Meetings in Denver and Cartagena, to prepare for negotiations on the Free Trade Area of the Americas (FTAA). We reiterate our commitment to conclude negotiations no later than 2005, and to make concrete progress towards the attainment of this objective by the end of this century.
2. We also reviewed the substantial progress that has been achieved in trade liberalization in the hemisphere since the Miami Summit of the Americas. We note that such progress is being reflected in the increasing widening and deepening of existing sub-regional and bilateral agreements; the implementation of our countries obligations under the Uruguay Round; the negotiation of new bilateral and sub-regional free trade agreements in the hemisphere; the participation of some Western Hemisphere countries in the negotiation of sectoral trade liberalization agreements in the World Trade Organization (WTO); and the autonomous trade liberalization measures adopted by individual countries. We reiterate our commitment to ensure that all our efforts to promote free trade in the hemisphere shall be consistent with our obligations in the WTO, in particular with Article XXIV of GATT 1994 and its Uruguay Round Understanding and Article V of the GATS. We also reiterate the principle previously adopted that the construction of the FTAA will not raise barriers to other countries. We will avoid adopting, to the greatest extent possible, policies that adversely affect trade in the hemisphere.
3. At the Second Summit of the Americas, to be held in Santiago, in March 1998, our Heads of State and Government will have the opportunity to review the implementation of the broad social and economic agenda contained in the Miami Declaration of Principles and Plan of Action, aiming at the prosperity of our peoples. We are aware that the FTAA

should be negotiated taking into account those broad objectives. To this end, we recognize the wide differences in the level of development and size of economies existing in our hemisphere and we will remain cognizant of these differences as we work toward building the FTAA.

4. We reviewed the work undertaken by the Vice Ministers regarding the various approaches for the construction of the FTAA, building upon the existing sub-regional and bilateral agreements. We agree that the FTAA negotiations should be initiated at Santiago, in March 1998, and we will recommend to our Leaders that they do so at that time. To this end, at the Fourth Ministerial Meeting in San Jose, Costa Rica, in February 1998, we will formulate how the negotiations will proceed, including such features as their objectives, approaches, structure and venue. We instruct our Vice Ministers to maintain the practice of holding three meetings before the next Trade Ministerial Meeting and to make recommendations to us on those issues for our decision at our San Jose Meeting.

#### AREAS OF COMMONALITY AND REMAINING ISSUES

5. Vice Ministers had, at our request, extensive discussions on the scope and timing of the negotiations. We welcome the specific proposals tabled by delegations and after comprehensive discussions, we agreed that there is a significant measure of convergence on key principles and issues:
  - a. Consensus constitutes the fundamental principle of decision making in the FTAA process, which seeks to preserve and promote the essential interests of our 34 countries in a balanced and comprehensive manner;
  - b. The outcome of the negotiations of the Free Trade Area of the Americas will constitute a comprehensive single undertaking which embodies the rights and obligations mutually agreed upon. The FTAA can co-exist with bilateral and sub-regional agreements, to the extent that the rights and obligations under these agreements are not covered by or go beyond the rights and obligations of the FTAA;
  - c. The FTAA will be consistent with the WTO agreements;
  - d. Countries may negotiate and join the FTAA individually or as members of a sub-regional integration group negotiating as a unit;

- e. Special attention should be given to the needs, economic conditions and opportunities of the smaller economies to ensure their full participation in the FTAA process;
  - f. The need for establishing a temporary administrative Secretariat to support the negotiations;
  - g. The year 2005 as the date for concluding negotiations, at the latest;
6. We hereby establish a Preparatory Committee consisting of the 34 Vice Ministers responsible for trade. We instruct them to intensify their efforts to build consensus and to complete recommendations on the remaining issues which they will submit for our decision at the San Jose Meeting. We further instruct Vice Ministers to continue to direct, evaluate and coordinate the work of all Working Groups.

## WORKING GROUPS

7. We thank the Chairpersons of the Working Groups for the work they have completed thus far. We direct our Vice Ministers at their next meeting to review the reports of the Working Groups and approve as appropriate their recommendations on work programs, areas for immediate action and business facilitation measures. We also took note of the documents listed in Annex I which have been proposed by the Working Groups and approved by Vice Ministers for publication as official documents of the FTAA; as such, they are already available for the public and constitute a concrete result of the ongoing preparatory work for the FTAA negotiations. We instruct the Working Groups to continue their tasks according to their agreed terms of reference. We further instruct them to submit to Vice Ministers at the second meeting under Costa Rica's Chairmanship different technical alternatives on possible issues and negotiating approaches in their respective disciplines which should be considered by Vice Ministers as they prepare recommendations for our decision at our San Jose meeting.
8. In accordance with our agreement at Cartagena, we have set up the Working Group on Dispute Settlement, whose terms of reference are to be found in Annex II. The Working Group will take into account the compilation of information prepared by the OAS, as requested at Cartagena, on the existing mechanisms for dispute settlement in the sub-regional and bilateral agreements in the hemisphere.
9. We approved the list of countries that will chair the twelve Working Groups, until our next meeting in Costa Rica (Annex III). They shall

be responsible for the coordination and programming of the Working Groups' meetings, in consultation with the representatives of participating countries, and ensure fulfillment of their respective terms of reference. We remind the Chairpersons of the Working Groups that consensus remains the operating principle of the FTAA process. After diligent efforts have been made to reach agreement on controversial issues, different positions should be remitted to Vice Ministers for their decision.

10. We are in receipt of the report of the Working Group on Smaller Economies and have taken note of the range of factors identified which could constrain the effective participation of the smaller economies in the FTAA. We have studied the recommended measures to facilitate their integration into the FTAA, including the need for appropriate internal policies, technical assistance and cooperation in order to facilitate the effective participation of these economies in the FTAA process. We encourage the Working Group on Smaller Economies to advance its ongoing work and urge it to make specific suggestions to the Vice Ministers as to measures that would allow their effective participation in the FTAA process. We call upon other Working Groups to take into account, in their deliberations, the findings and recommendations of the Working Groups on Smaller Economies in order to realize the opportunities of those economies in the FTAA and to increase their level of development.
11. We ask Vice Ministers to recommend to us, by our next meeting, how the Working Groups could be reconfigured into negotiating groups, taking into account the need for efficiency and the complementarity of subject matters.

#### OTHER REPORTS AND CONTRIBUTIONS TO ECONOMIC INTEGRATION

12. We acknowledge and appreciate the technical and logistical support provided to the Working Groups by the Tripartite Committee, as well as the contribution received from regional, sub-regional and multilateral organizations. We request that the Tripartite Committee continue to provide analytical support, technical assistance and related studies, as requested by the respective Working Groups. We also request the member institutions of the Tripartite Committee to provide assistance to individual member countries, on request, in accordance with the procedures of the respective institutions. We encourage further contributions in support of those tasks, within their areas of expertise, from relevant regional, sub-regional and multilateral institutions as may be requested by the Working Groups.

13. Moreover, we agreed to ask the Tripartite Committee to undertake a feasibility study on alternatives for establishing a temporary administrative secretariat to support the FTAA negotiations, based on the terms of reference in Annex IV, and to report their findings to Vice Ministers in time for them to issue recommendations for our decision at our meeting in Costa Rica.
14. We received with interest the contributions for the Third Business Forum of the Americas relating to the preparatory process for the FTAA negotiations, which we consider may be relevant to our future deliberations. We acknowledge and appreciate the importance of the private sector's role and its participation in the FTAA process. We reiterate our commitment to transparency in the FTAA process. In this sense, we consider the inputs from stakeholders of our civil societies to be important to our deliberations, including those from the labor sectors, and we encourage all countries to take them into account through mechanisms of dialogue and consultation.
15. The issue of the environment and its relation to trade has been considered by our Vice Ministers since the Cartagena meeting and is the subject of ongoing discussions within the WTO and within the FTAA process. We will keep this issue under consideration, in light of further developments in the work of the WTO Committee on Trade and Environment.
16. We take note of the "Declaration of the Tenth Inter-American Conference of Ministers of Labor", presented at the Meeting of the Ministers of Trade, Belo Horizonte (Brazil), May 1997. We reaffirm paragraph 4 of the Singapore Ministerial Declaration of the WTO.

#### NEXT MINISTERIAL MEETING

17. We reiterate our decision, adopted at Cartagena, to hold the Fourth Ministerial Meeting and the Fourth Business Forum in Costa Rica, both of which are to be held in February 1998. We therefore accept with appreciation the offer extended by the government of Costa Rica to host those two meetings. We request the host country of the 1998 Trade Ministerial Meeting to chair the Vice Ministerial Meetings to be held until then.
18. We wish to express our appreciation to the Government of Brazil for its significant contribution throughout the past year in hosting and chairing the four meetings of Vice Ministers in Florianópolis, Recife, Rio de Janeiro and Belo Horizonte, as well as this Ministerial Meeting, also held in Belo Horizonte.

## ANNEX I

### OFFICIAL FTAA DOCUMENTS APPROVED FOR PUBLICATION:

- \* "Investment Agreements in the Western Hemisphere: a Compendium" and "Inventory on Investment Agreements in the Americas," drawn up by the Working Group on Investments (WG-3);
- \* "National Practices on Standards, Technical Regulations and Conformity Assessment in the Western Hemisphere", drawn up by the Working Group on Standards and Technical Barriers to Trade (WG-4);
- \* "Compendium of Antidumping and Countervailing Duty Laws in the Western Hemisphere ", drawn up by the Working Group on Subsidies, Antidumping and Countervailing Duties (WG-6);
- \* "Government Procurement Rules in Integration Arrangements in the Americas", drawn up by the Working Group on Government Procurement (WG-8);
- \* "Provisions on Trade in Services in Trade and Integration Agreements in the Western Hemisphere" (Spanish version), drawn up by the Working Group on Services (WG10).

## ANNEX II

### TERMS OF REFERENCE FOR THE WORKING GROUP ON DISPUTE SETTLEMENT

1. Compile an inventory of dispute settlement procedures and mechanisms included in agreements, treaties and arrangements of integration existing in the hemisphere and those of the WTO, appending the legal texts.
2. On the basis of this inventory, identify areas of commonality and divergence among dispute settlement systems in the hemisphere, including with respect to the extent to which these systems have been employed.
3. Exchange views, following internal consultations with the private sector, regarding mechanisms to encourage and facilitate the use of arbitration and other means of alternative dispute resolution for the settlement of international commercial disputes.
4. Recommend methods to promote understanding of the procedures under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes.
5. In the light of the various subjects to be covered by the FTAA agreement and other relevant factors, exchange views on possible approaches to dispute settlement under the FTAA agreement, in line with the World Trade Organization understanding on Rules and Procedures Governing the Settlement of Disputes.
6. Make specific recommendations on how to proceed in the construction of the FTAA in this area.

## ANNEX III

### CHAIRS OF WORKING GROUP

GROUP	COUNTRY
MARKET ACCESS	EL SALVADOR
CUSTOMS PROCEDURES AND RULES OF ORIGIN	BOLIVIA
INVESTMENT	COSTA RICA
STANDARDS AND TECHNICAL BARRIERS TO TRADE	CANADA
SANITARY AND PHYTOSANITARY MEASURES	MEXICO
SUBSIDIES, "ANTIDUMPING" AND COUNTERVAILING DUTIES	ARGENTINA
SMALLER ECONOMIES	JAMAICA
GOVERNMENT PROCUREMENT	UNITED STATES
INTELLECTUAL PROPERTY RIGHTS	HONDURAS
SERVICES	CHILE
COMPETITION POLICY	PERU
DISPUTE SETTLEMENT	URUGUAY



## ANNEX IV

### TERMS OF REFERENCE FOR A FEASIBILITY STUDY ON A FTAA ADMINISTRATIVE SECRETARIAT

1. Bearing in mind the need to minimize cost and bureaucracy, the study should identify the type of facilities, the size and capabilities of the staff and the range of costs of a temporary secretariat during the negotiating process. The Secretariat would undertake the following tasks in support of negotiations:

- \* provide logistical and administrative support for the negotiating groups;
- \* arrange for translation of documents and interpretation during deliberations;
- \* maintain official negotiation documents; and
- \* arrange for document distribution and publication.

2. The study should identify the costs of alternative sites for the Secretariat on the basis of criteria such as the following:

- \* easy accessibility (e.g. flight connections),
- \* meeting facilities (e.g. capacity for multiple simultaneous meetings).
- \* hotel accommodation;
- \* availability of multilingual workforce; and
- \* other considerations as appropriate.

The study should also identify the incremental costs associated with the option of locating the negotiations in a site different from the Secretariat, should that be the case.

3. The study should take into account the need to ensure that the provision of support to the negotiating groups is separate from any provision of technical advice to FTAA participants. It should evaluate the relative staffing costs of:

- \* direct hiring;

\* contracting services;

\* seconding personnel from the Tripartite Committee; and

\* seconding personnel from the FTAA governments.

4. The study should identify the legal requirements for creating the Secretariat.

List of cities to be considered in the feasibility study to be prepared by the Tripartite Committee as alternative sites for establishing a FTAA temporary administrative Secretariat.

- 1 Buenos Aires (Argentina)
2. Kingston (Jamaica)
3. Lima (Peru)
4. Mexico City (Mexico)
5. Miami (United States)
6. Panama City (Panama)
- 7 Rio de Janeiro (Brazil)
8. Santafe de Bogota (Colombia)
9. Washington (United States)